



STATE OF WASHINGTON

**OFFICE OF FINANCIAL MANAGEMENT**

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October 9, 2014

**TO:** Selected Agency Directors  
Presidents, Higher Education Institutions

**FROM:** David Schumacher  
Director

**SUBJECT: 2015-17 BUDGET IMPACTS OF SECTION 714 AGENCY EFFICIENCY REDUCTIONS**

Thank you for your work in developing agency budget requests for the 2015-17 biennium, including the identification of budget reduction options of 15 percent of your agencies' unprotected maintenance level budgets. OFM is reviewing agency submittals and we will continue to work with you as we develop Governor Inslee's budget requests for the next biennium.

As you are well aware, Section 714 of the 2013-15 operating budget adopted by the Legislature contained a \$30 million negative Fiscal Year 2015 appropriation. Last year, the Legislature increased the reduction to \$40 million in the supplemental budget. As OFM and the Legislature consider budget options for the next biennium, we need additional information from you on the underlying implementation of Section 714 reductions as they carry forward into the new biennium.

Several of you have indicated that your agency plans to implement the Section 714 reductions in FY 2015 may be different from implementation plans and actions your agencies will take to manage the budget reduction next biennium. Now that your maintenance and policy-level budget requests and reduction options have been submitted to OFM, we need to understand the impact of the carryforward level of Section 714 reductions to current agency activities, programs and service levels. In considering budget reductions for both the Governor's current law ("Book 1") and new law ("Book 2") budgets, we need to ensure that we and the Legislature understand and avoid potentially duplicating budget reductions you are already contemplating to implement the Section 714 reductions in 2015-17.

Please use the attached template to describe your implementation of the Section 714 reductions for the upcoming 2015-17 biennium, including the impacts and outcomes of the reductions to agency activities, services and clients. Submit this information by email to [OFM.Budget@ofm.wa.gov](mailto:OFM.Budget@ofm.wa.gov) no later than **Friday, October 24.**

Thank you for your assistance. If you have any questions, please contact Jim Crawford, Assistant Director for Budget, at [jim.crawford@ofm.wa.gov](mailto:jim.crawford@ofm.wa.gov) or your [assigned OFM budget analyst](#).

cc: Selected Agency Budget Officers